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ABSTRACT

The Inter-American Foundation (IAF) is an independent foreign assistance agency of the United States government that provides grants to grassroots organizations in Latin America and the Caribbean. The IAF responds to innovative, participatory and sustainable self-help development projects proposed by grassroots groups and supporting organizations, many involving rural and indigenous populations. It also encourages partnerships among community organizations, businesses, and local governments, directed at improving the quality of life for poor people and strengthening democratic practices. During fiscal 2002, the IAF awarded 50 new grants worth $15 million. All projects share two traits--they are directed at building capacity for sustainable activity once the support period is over, and they aim to improve constituents' well-being by engaging their own efforts, resources, and initiative. Local economic development, corporate social investment and responsibility, and building democracy from the grassroots are a focus for most grants. Grants provide access to credit, technical assistance, training, and access to technology for projects related to agriculture and food security, small business development, community leadership and development, and environmental issues. About 17 percent of grants focus specifically on education. A few grants support evaluation of previous grants for the purpose of learning more about the local development process. Projects funded for 12 individual countries and 2 regional initiatives are described in country reports. New directions in funding and evaluation efforts are described. Efforts to disseminate the lessons learned from funding grassroots development include various publications, an online newsletter, a Web site, news releases, and several conferences. A final section explains how to apply for an IAF grant. (TD)

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2002 in Review

Inter-American Foundation

Investing for the Future

RC 024 034

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2002 in Review

Inter-American Foundation

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Inter-American Foundation

The Inter-American Foundation (IAF) is an independent foreign assistance agency of the United States government that provides grants to grassroots organizations in Latin America and the Caribbean. Created in 1969 as an experimental program, the IAF responds to innovative, participatory and sustainable self-help development projects proposed by the grassroots groups and organizations that support them. It also encourages partnerships among community organizations, businesses and local governments, directed at improving the quality of life for poor people and strengthening democratic practices. To contribute to a better understanding of the development process, the IAF shares its experiences and the lessons it has learned. The Inter-American Foundation is governed by a nine-person board of directors appointed by the president of the United States and confirmed by the U.S. Senate. Six members are drawn from the private sector and three from the federal government. The board is assisted by an advisory council. A president, appointed by the board, serves as the Inter-American Foundation's chief executive officer, managing a staff of 47 employees based in Arlington, Virginia.

Congress appropriates funds annually for the Inter-American Foundation. The IAF also has access to the Social Progress Trust Fund administered by the Inter-American Development Bank and consisting of payments on U.S. government loans extended under the Alliance for Progress to various Latin American and Caribbean governments. Since 1972, the IAF has made 4,400 grants for more than $541 million. Together, the IAF and its grantees have created cost-effective models of social and economic development which have often been replicated by government and larger donor agencies to better the conditions of hundreds of thousands of poor families in communities throughout the hemisphere.

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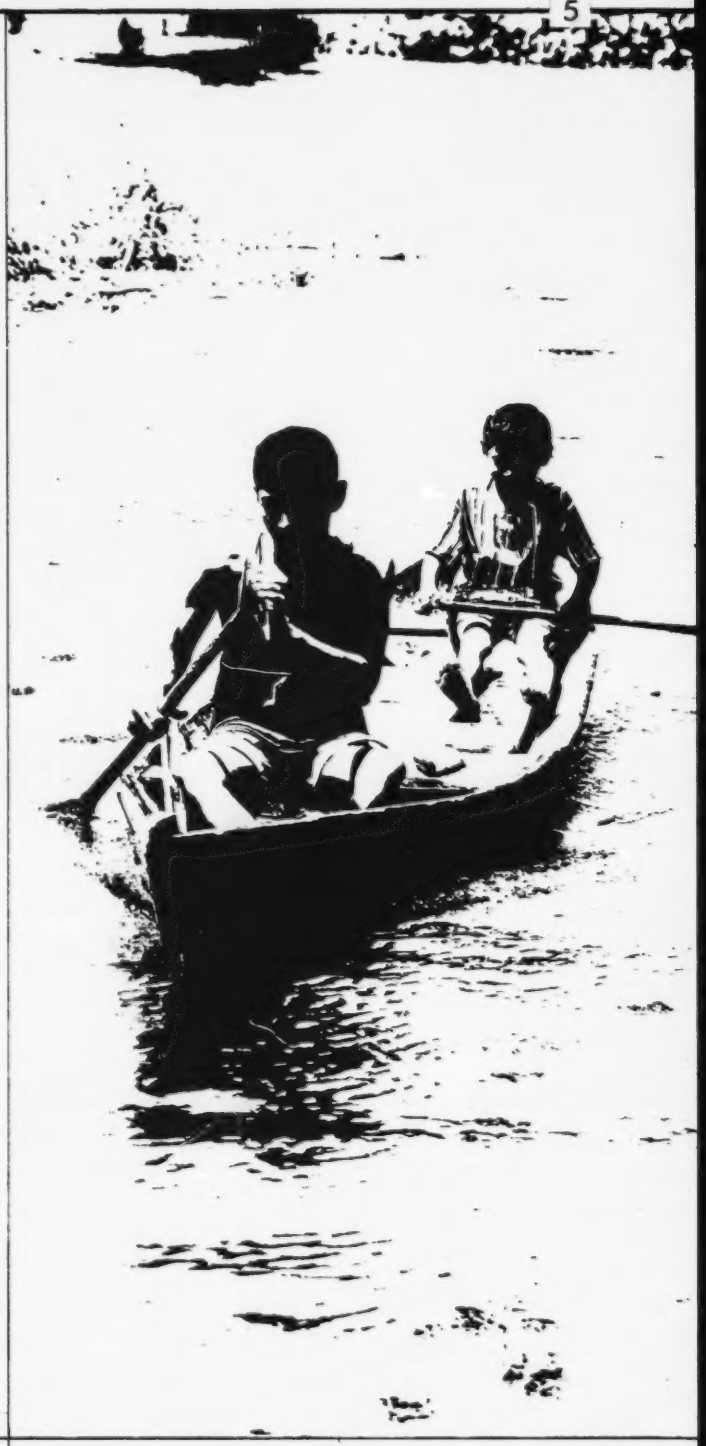


Message *from the Chair*

My experience as a member of the Inter-American Foundation's board of directors for more than 12 years has taught me that it is not the quantity of foreign assistance funding that counts.

During my time on the IAF's board, the United States Congress has allocated a total of $167 billion to foreign assistance, and our annual share has usually come to less than 0.001 percent of that figure. That adds up to a small sum by Washington standards so we try to use our resources wisely and strategically. Our accomplishments in this regard are a source of great pride to me. The IAF gives to or leverages for its program approximately $4.50 for every dollar it spends on overhead.

Its small allocation notwithstanding, the IAF has remained in the vanguard of foreign assistance, pioneering the trends later adopted by major development institutions with far greater resources. Long before the rest of the development community, the IAF was in the field working with civil society, advocating decentralization, forming partnerships with the private sector and assisting self-help efforts. Economic growth and democratic participation, both currently emphasized worldwide in foreign assistance, have also been key to the IAF's 33-year commitment to the poor in Latin America and the Caribbean.

The IAF devotes more than one-half its program budget to helping the disadvantaged become entrepreneurial and economically productive. People find pride and dignity in assuming responsibility for the future and well-being of their families and communities. The change in their economic condition affects their social and political status as well.

Additionally, the IAF encourages citizens of Latin America and the Caribbean to participate in their local governments and make them accountable. Local governance is critical as the foundation for a larger democratic order and because it can

vastly accelerate positive, tangible change in people's lives. Many individuals associated with IAF's grantees have distinguished themselves in leadership roles at the local level; some have gone on to hold national office. Luis Guerrero, for example, headed an IAF-supported Peruvian nonprofit organization, before becoming the mayor of provincial Cajamarca and then congressional deputy. Mariano Curicama, an indigenous grassroots leader in Ecuador who ran successfully for councilman, national deputy and, twice, for mayor of the canton of Guamote, is now his country's vice minister of social services.

The IAF bases its entire program on the simple idea that in the process of identifying their concerns and resolving them, people develop essential skills for participating in democracy. The idea can be applied equally well to the problems of facing the increasing complexity of the world. Perhaps that is why the assistant secretary of state for Latin America asked the IAF to help prepare rural Central America for the Free Trade Agreement of the Americas expected to materialize soon. In this specific assignment, as well as in our mission as a foreign assistance agency charged with improving the quality of life in this hemisphere, we will draw from our bank of experience to help the poor forge solutions to problems rooted in history, globalization or both.

Frank Yturria

Chair Yturria visits grantee REDES' mobile market in Mejicanos in the San Salvador metro area.

Patrick Breslin

President's *Report*

During fiscal 2002, the Inter-American Foundation awarded 50 new grants, worth $15 million, toward the support of a diverse group of social and economic development projects.

Beyond the energy, creativity and initiative displayed by the successful applicants in Latin America and the Caribbean, all projects funded in FY-2002 share two traits. First, in addition to addressing a specific issue, they are directed at building capacity. In considering proposals submitted during this funding cycle, the IAF looked for evidence that an award would strengthen the applicant's ability to function more effectively on a sustainable basis once the support period is over. This year's grantees are all focused on strengthening networks of producers, small NGOs or, through partnerships or improved organizational and fundraising skills, the recipient itself. Furthermore, this goal of building capacity almost always includes the grantee's commitment to the promotion of better leadership in the community by reaching out to local governments.

Secondly, our grantees share a concern for improving their constituents' well-being by engaging their efforts, resources and initiative. Crucial to a successful application has always been a showing that the IAF's assistance will be directed at improving conditions with the grant beneficiaries' participation. In this manner, IAF's new grantees address a range of issues with a variety of activities, all fostering a tangible gain for people who struggle with a life of poverty.

It is difficult, if not impossible, to adequately classify IAF's new projects in terms of traditional development sectors. Most represent a rich interaction of institutions striving to resolve complex problems. Some grantees are local nonprofit organizations or foundations dedicated to working with the poor. Others are the poor themselves, organized into cooperatives, producer groups, communities and other grassroots associations, acting on their own behalf. In approximately two-thirds of the grants supported with FY-2002 funding, municipal governments have acted as supporters, facilitators or promoters of grant activities, sometimes while building their own capacity to work effectively with their constituents on resolving urgent local problems. Partners include local businesses and chambers of commerce reaching out to their communities with resources and ideas.

Local Economic Development

At least 35 projects funded in FY-2002 focus primarily on local economic development. Their varied activities target specific populations in either rural or urban settings usually within municipal boundaries. Most attempt to help individual entrepreneurs or producers increase their income through better and more efficient practices as well as access to markets and credit. Some grants to cooperative businesses will be invested in improved technology, others in infrastructure. A review of these local economic development awards reveals the following:

- Thirteen grants establish or reinforce a variety of credit programs for both urban and rural producers.
- Twenty grants improve food security through access to credit, technical assistance, training, improved technologies, soil conservation and agricultural diversification.
- Fourteen emphasize providing small producers and artisans better access to markets through storage technologies, product processing (for coffee or spices), information, roads, linkages or production for niche markets (for example, organic coffee).
- Five single out women as principal beneficiaries of credit and marketing projects.
- Fifteen target the urban poor for micro-enterprise credit, community improvement, assistance with recycling efforts, business development, housing, legal services, leadership training and partnership building.
- Seven specifically focus on environmental issues, such as buffer zone and biosphere reserves management, soil conservation and improvement, and sanitation.

Corporate Social Investment and Responsibility

At least half of IAF's FY-2002 awards include the participation of local and international businesses, often in the form of counterpart financial resources provided to the grantee organization or the beneficiaries. Businesses and corporations are necessary partners in the development process; the involvement of chambers of commerce, corporate foundations or business associations can provide direct leadership. Six of these kinds of grants specifically target the stimulation of social investment and corporate social responsibility as part of a broader effort to assist poor people and grassroots organizations.

Learning and Evaluation

A final group of grants, representing approximately 4 percent of the year's funding, was awarded in fiscal 2002 for the purpose of learning more about the local development process from grants of previous years. One supports the evaluation of a series of local development experiences in Uruguay and Chile. This has already produced a collection of best practices that has been published and disseminated in a series of workshops and seminars for development professionals throughout Latin America and the Caribbean. Additionally, the IAF joined forces with the Kettering Foundation to examine 10 development projects, five of them IAF-supported, to learn how communities come together to act collaboratively. Finally, with the intention of strengthening a Web-based communications system about best practices in local governance, the IAF approved a grant to a network of local development organizations with representation throughout Latin America and the Caribbean.

Patrick Breslin

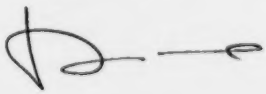
Building Democracy from the Grassroots

A principal IAF criterion for a successful proposal has always been the degree to which it reflects beneficiary involvement in its design and implementation. The IAF has always defined local development as a process whereby stakeholders in a community come together to identify a problem or need and work together toward a solution. Where needs are multiple, a process of prioritization involves all members of a community, especially those intended to benefit most immediately. The IAF has learned from experience that grassroots development projects are more likely to succeed when beneficiaries claim ownership of this process, as they appear to do in all of our projects funded in 2002.

Another key to success and sustainable gains is cooperation among the various sectors in the community: local government, businesses, nonprofit service organizations and grassroots groups. The resulting dialogue creates the dynamism needed to overcome problems of poverty and exclusion. It also builds trust, fosters citizen participation and provides a vehicle for democratic expression. IAF studies and evaluations offer evidence of a direct cause-and-effect relationship between participatory development projects and the construction of democratic governance. We believe our 2002 grants will confirm this relationship.

Assessing the Investment

As always, IAF could support only a fraction of the creative ideas submitted for its consideration during the FY-2002 funding cycle. Many more were judged worthy and could have made a major difference in people's lives and in conditions in their communities. The IAF, in assessing the effectiveness of its investment of fiscal 2002 funds, will not only seek to confirm that the successful applicants' stated objectives were met. We will also look for achievements not contemplated at the outset of grant activities — new synergies, added capacities, opportunities seized, relationships built and a willingness to move beyond the initial proposal to address new, and possibly more important, challenges. We are confident the projects funded this year will be excellent examples of how organized individuals, working together to marshal resources along with their own ingenuity, can build a better future for themselves, their families and their communities.



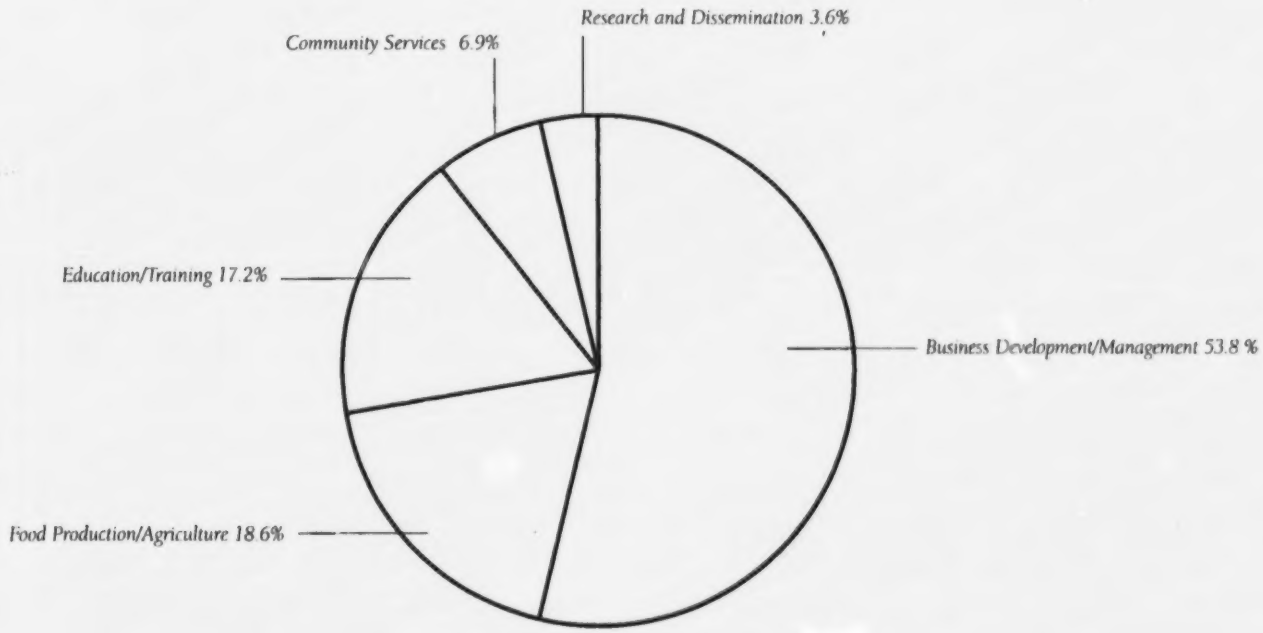
David Valenzuela

Foundation Program Profile

Primary Program Area	Number of Grants	Amount ($000s)*	Percentage	Intended beneficiaries**
Business Development/Management	34	7,191	53.8	115
Food Production/Agriculture	14	2,483	18.6	46
Education/Training	18	2,304	17.2	338
Community Services	4	920	6.9	158
Research and Dissemination	4	480	3.6	7
TOTALS	74	$13,378		664

Amounts are in thousands of dollars

**Numbers are in thousands.*



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Financial and Statistical Report

Investment by Country

Country	FY-2002 New Grants	FY-2002 Supplements	FY-2002 Funds*	Totals for 1972-2002 Grants	Totals for 1972-2002 Funds*
Anguilla	0	0		1	3
Antigua and Barbuda	0	0		8	507
Argentina	0	3	27	210	26,234
Bahamas	0	0		7	144
Barbados	0	0		11	925
Belize	0	0		78	3,959
Bolivia	0	0		242	30,287
Brazil	6	2	1,362	344	41,234
Chile	0	0		256	42,051
Caribbean Region	1	0	399	62	7,278
Colombia	0	0		295	38,147
Costa Rica	0	0		217	15,148
Dominica	0	0		75	2,282
Dominican Republic	2	1	286	220	22,015
Ecuador	5	0	1,388	168	24,264
El Salvador	6	3	1,892	179	26,680
Grenada	0	0		17	540
Guatemala	2	0	512	170	25,097
Guyana	0	0		7	294
Haiti	3	1	503	129	13,556
Honduras	1	0	272	150	22,892
Jamaica	0	0		66	3,733
Latin American Region	3	1	194	125	10,634
Mexico	11	3	3,157	322	45,742
Montserrat	0	0		1	3
Netherlands Antilles	0	0		2	126
Nicaragua	7	4	2,149	152	24,936
Panama	3	0	471	189	22,035
Paraguay	0	0		140	17,426
Peru	5	3	1,266	240	39,942
St. Kitts and Nevis	0	0		6	541
St. Lucia	0	0		12	696
St. Vincent	0	0		12	746
Suriname	0	0		3	347
Trinidad and Tobago	0	0		13	842
Turks and Caicos	0	0		2	12
Uruguay	0	0		127	16,623
Venezuela	0	1	11	142	13,461
TOTALS	52	22	13,378	4,400	541,382

**Investment is indicated in thousands of dollars.*

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Supplemental Grants over $10,000

Fundación Juan Minetti, $13,200 to facilitate an international planning meeting where representatives from Argentina, Colombia, Brazil, Bolivia and the United States address coordination among corporate foundations in the Americas. (AR-322-A5)

Fundación Leer (LEER), $10,000 to host a two-day workshop addressing the economic crisis and offering IAF grantees strategies for long- and short-term sustainability through partnerships with the Argentine and international private sector. (AR-330-A1)

Patrick Breslin

Patrick Breslin

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Brazil

Paulo de Vi - Mulo Junior

New Grants

Instituto para o Desenvolvimento do Investimento Social (IDIS), $266,000 for a two-year project directed at increasing social investment activities in the state of São Paulo by developing community foundations with strong corporate support. The program will include local leadership and human resource development, information systems for community-based organizations, and office equipment upgrades. (BR-801)

Federação das Industrias do Estado do Rio de Janeiro (FIRJAN), $212,000 for a three-year project toward increasing corporate social investment in the state of Rio de Janeiro. A small-grants fund will be established to mobilize resources from 10 companies for direct investment in communities, to train companies to develop social programs and to organize an international meeting for the exchange of best practices. (BR-802)

Instituto Rio (IR), $168,200 for a three-year project to improve the quality of services provided by base groups and expand the private sector's participation in grassroots development activities in the city of Rio de Janeiro. The award will support a small-grants fund, technical assistance training for base groups and IR staff, salaries and administrative costs, and dissemination of best corporate grantmaking practices through events and publications. The project will directly benefit 500 women, children and adolescents in the city's western zone. (BR-803)

Rede de Informações para o Terceiro Setor (RITS), $227,635 to improve computer literacy and Internet access for 40 low-income NGOs and base groups in the Brazilian Northeast through a two-year program of training on computer software, technical assistance, technological support and donations of hardware. At least 160 families will directly benefit. (BR-804)

Instituto Ethos (Ethos), $295,433 for a three-year project directed at increasing private sector investments in poverty alleviation and local development. The award will support research on corporate best practices; the distribution of manuals on lessons learned; the development of an electronic forum of best practices; and regional debates and seminars on social investment and local development. More than 7,200 corporate decision-makers and local stakeholders throughout Brazil, including 570 Ethos member companies, will benefit from greater information on how to assist low-income communities. (BR-805)

Instituto Nenuca de Desenvolvimento Sustentável (INSEA), $169,991, over three years, to undertake training programs and purchase equipment that will better enable 14 cities and towns in Belo Horizonte to partner with recyclers and develop income-generating alternatives. (BR-806)

Supplemental Grant

Centro de Articulção de Populações Marginalizadas (CEAP), $16,695 to low-income base groups for staff transportation, required benefits and payroll taxes. Increased funding for transportation will support more frequent site visits to participating neighborhood organizations, enabling staff to provide additional technical assistance and monitoring. (BR-795-A1)

Paulo de VC. Melo Júnior

Paulo de VC. Melo Júnior

Access to Technology

Rede de Informações para o Terceiro Setor

By Judith Morrison
Senior Foundation Representative for Eastern South America

Rede de Informações para o Terceiro Setor (RITS), founded in 1997 as a virtual network of civil society organizations, is guided by three principles: to disseminate information on third sector institutions at no cost to them, to promote NGO exchange and build capacity, and to help organizations reach their goals by making technology available. This grant from the Inter-American Foundation brings RITS into a partnership with the IAF and IBM-Brasil that will provide training, computers and Internet access to 40 nongovernmental organizations of limited means in the Brazilian Northeast.

The program offers participants 70 hours of training on specific software, technological support and a donation of state-of-the-art IBM hardware. Community groups will be expected to develop and maintain their own institutional Web site according to the training they will receive on professionally accepted standards for Internet use and distribution. This Web element has been identified as one of the project's most valuable components because of the potential for disseminating and exchanging best practices for local development. The thorough training and the availability of equipment before and after office hours will maximize use of the donated hardware by volunteer staff of the participating organizations, as well as by the low-income residents of the communities they serve.

Not surprisingly, RITS has already received more than 150 applications from diverse civil society associations, including several neighborhood and community-based groups, to whom this opportunity represents the only possibility to access the Internet. Participants for this two-year program will be selected according to rigorous criteria, including the ability to articulate a plan for how technology will directly benefit the community and base group. Preference will be given to those with no computer or with equipment inadequate for Internet access or with only a limited understanding of computer systems. Organizations not yet legally recognized will receive support toward formalizing their nonprofit status so that they become eligible to receive a donation of equipment to own permanently.

RITS teaches organizations to interact and use technology in order to become "protagonists" on the Web and otherwise. Its methodology effectively minimizes the digital divide by empowering communities to manage and maintain their own systems. Once mastered, skills can be updated or transferred to newer technologies as they become available. At the end of their program, the NGO beneficiaries are left with lasting benefits.

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New Grant

Community Tourism Foundation (CTF), $399,450, over four years, to create and administer a small-grants fund for social and economic development projects implemented by grassroots organizations in the Eastern Caribbean. CTF will carry out a social investment campaign to raise funding from tourists and private enterprises in the tourism and financial services sectors. (CA-096)

Building a Future

By Carlo Dade
Foundation Representative for the Dominican Republic and Haiti

After a 10-year absence, the IAF has resumed support for grassroots development in the English-speaking Caribbean with a grant to the *Community Tourism Foundation* (CTF) of Barbados. To complement its award, CTF will raise $300,000 from the tourism sector — comprised of businesses and the visitors that support them to fund small-scale community development projects in the Windward and Leeward Islands of Barbados, St. Lucia, St. Vincent and the Grenadines, Grenada, Dominica, and St. Kitts and Nevis. The ambitious goal of this grant is to meet close to 100 percent of the demand for such financing in these islands.

The Windward and Leeward Islands are places of sharp contrasts. Opulence generated by the tourism and banking sectors co-exists with stark deprivation. The grant to CTF will bridge the divide between wealth and poverty on the islands by harnessing income from tourism and, later, the financial sector to fund grassroots development projects. The grant will also be used to demonstrate the importance of social investment to business and to foster a culture conducive to private sector support for development projects. The need for this initiative is all the more urgent given the approaching end of U.S. trade preferences for bananas and sugar, which will devastate these small economies that are only now beginning to diversify. While the Windward and Leeward Islands are best known as tourist destinations, significant economic activity and employment possibilities there are still concentrated in agriculture.

Over the four-year period of its IAF-supported project, CTF expects to benefit 850 residents of impoverished Eastern Caribbean communities, including farmers and unemployed youth.

New Grants

Cámara de Comercio y de Producción de Santiago, Inc. (CCPS), $58,700 for a two-year project in cooperation with the Centro de la Juventud y de la Cultura. Through the project, university students will offer training and technical assistance to 75 micro-entrepreneurs in Santiago's Cienfuegos neighborhood and consultants will offer specialized technological assistance. A government agency will provide training in general business skills and assistance in accessing a local micro-enterprise loan fund. (DR-323)

Centro de Servicios Legales para la Mujer (CENSEL), $224,775 for a three-year project offering training and services in domestic violence prevention and mitigation to approximately 1,150 low-income women, public officials and teachers in the eastern part of the province of Santo Domingo. The grant will also support seminars, outreach, institutional strengthening and the general range of activities offered to poor women through contracting a fundraiser and the development of a fee structure for those clients who can afford to pay for services. (DR-325)

Philip Decker

Addressing

By Eduadro Rodríguez Frias
Program Staff Assistant for the Caribbean and El Salvador

Recurring headlines in major newspapers confirm that domestic violence is a pervasive problem in the Dominican Republic. In 2001 alone, intra-family murders took the lives of 131 women. This translates to approximately one such death every 60 hours, often at the hands of a someone with a record of abuse. Some of these homicides might have been prevented, according to a recent article by Doris Pantaleón, but police chose instead to ignore a dispute they considered strictly between a husband and his wife. And murder statistics are only one feature of a wider pattern of physical, psychological and sexual abuse in domestic settings.

Centro de Servicios Legales para la Mujer (CENSEL) is a nongovernmental organization that extends legal and psychological services to victims of domestic violence in the province of Santo Domingo. CENSEL also offers training in violence prevention and the law to victims, community leaders and government employees, including judicial personnel. Since its formation in 1984, CENSEL has become a reference point for other NGOs, government offices, prosecutors and private attorneys. Although its services clearly sustain victims of domestic violence, allowing them to get on with their lives, CENSEL cannot sustain itself as an institution. It is dependent on foreign donors and, to a lesser extent, on the Dominican government. Funding is limited where activities appear unlikely to become self-supporting, and it can shrink even further if donor fatigue sets in.

CENSEL's goal is to become stronger as an institution and to attain a level of sustainability. With its award, it will learn to raise funds from the private sector and to develop a fee structure for clients who can afford to pay. Taking these steps toward self-sufficiency will allow CENSEL to continue its services for victims of domestic violence as well as its prevention programs and to expand its range of training seminars and conferences directed at teachers, medical professionals, police, attorneys and government officials.

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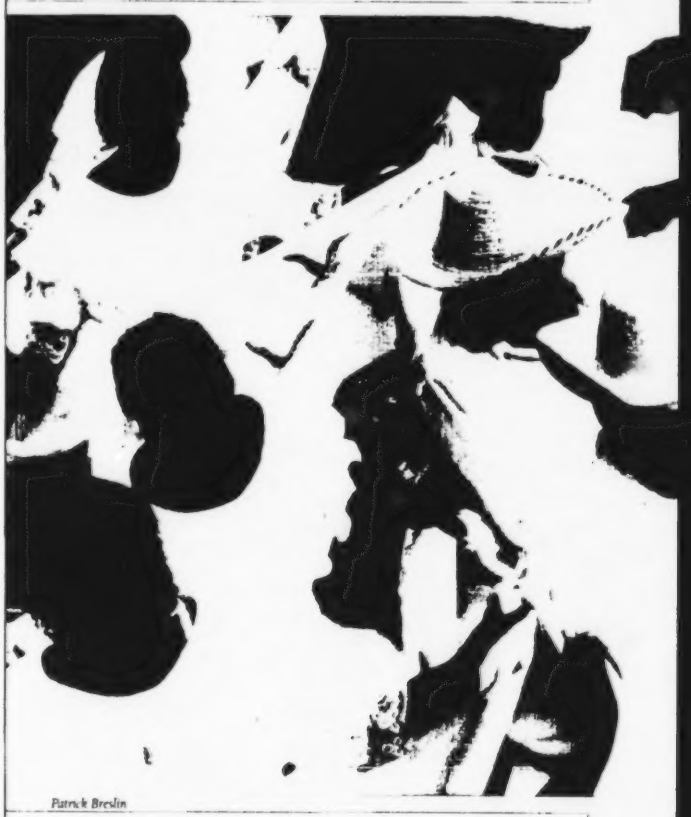
New Grants

Centro de Estudios Regionales-Guayaquil (CER-G), $343,350, over two years, to establish, in partnership with local micro-enterprises and three municipalities, a solid waste management facility serving businesses in urban centers and 12,000 resident families. (EC-379)

Fundación Cooperación y Acción Comunitaria (CACMU), $296,700, over three years, to improve production, sales and management of micro-enterprises through loans, training, technical assistance and marketing services that will benefit approximately 1,000 women in Imbabura province and their families. (EC-380)

Fundación de Desarrollo Comunitario Minga (MINGA), $163,820, over three years, to provide technical assistance and training in organic agriculture, formation of community organizations, community banking, cultural identity and volunteerism to 3,000 residents of 30 communities in the municipality of Muisne on the northwest coast of Ecuador. (EC-381)

CAMARI, Sistema Solidario de Comercialización del FEPP (CAMARI), $300,000, over two years, to increase marketing opportunities and income for 50,000 small-scale artisans and farmers, predominantly women, organized into 140 grassroots organizations throughout the country. CAMARI offers its beneficiaries training and technical assistance directed at improving the quality and handling of their production and their capacity to exploit new marketing channels, including the Internet. (EC-382)



Patrick Breslin

Movimiento Mi Cometa (Mi Cometa), $284,480, over two years, to provide training, technical assistance and grants to micro- and small enterprises that will generate jobs and leadership opportunities for 1,000 families in Guayaquil's Guasmo Sur neighborhood. (EC-383)

Providing Opportunities

By Wilbur Wright
Senior Foundation Representative for the Andean Countries

To families in Guayaquil's Guasmo Sur neighborhood, a job and dry shelter cannot be taken for granted. Few employers are willing to locate to the flood plains of the Guayas River on the southern edge of Ecuador's largest city, and each storm brings the threat of flooding. During the rainy season, lasting eight months of the year, drainage ditches overflow and waste waters stagnate, resulting in insect infestations, disease and damage to homes. The problems spiral as medicine and building repairs consume limited resources.

These conditions, and few indications they would ever improve, prompted area youth to look for the quickest route out of the neighborhood — until a small group of activists led by César Cárdenas insisted change was possible and took the initiative to bring it about. In 1990, they formed *Movimiento Mi Cometa* in a voluntary effort to organize young people, form local leaders, address housing and water problems, generate employment opportunities, and attract outside support. They began by knocking on doors and organizing their neighbors street by street to discuss their problems and then address them.

Having won over Guasmo Sur's residents, the youth in Mi Cometa began tapping on the doors of municipal officials, civic leaders and national legislators. They started a model street program, a school to train leaders and a self-help home repair project. By 1995, Mi Cometa had captured the attention of the local press and stimulated interest in Guayaquil's universities and service clubs. Scholarships became available to top leadership students along with resources for recreational and sporting events for neighborhood youth. In 1997, a Peace Corps volunteer assigned to Mi Cometa not only provided support for training activities, but also opened a channel through which more than 200 youth volunteers traveled from the United States to stay with families in Guasmo Sur and assist in the construction of 50 homes on elevated sites with new water and sewage services.

The challenge of creating employment opportunities led Mi Cometa to the Inter-American Foundation. With its award, Mi Cometa plans to start community enterprises that will increase jobs, provide products and services, and become conduits to even greater partnerships and opportunities outside the neighborhood. The project, benefiting 5,000 residents in Guayaquil's southern sector, will mobilize nearly $1 million in resources, one-fourth from the IAF. Approximately two-thirds of the total raised will be used to acquire essential equipment and support their initial operating cycles. The remaining resources will assure proper training and technical assistance during the start-up period. Mi Cometa's community enterprises include gardens, food processing, youth employment centers, an Internet café, a building supplies center, a guesthouse, a savings and credit cooperative, a sewing shop, a convenience store, and a community health clinic.

At the conclusion of this project, not everyone in Guasmo Sur may have a new home or a new job yet, but attaining both will become far more possible. An initiative organized by local youth, and now led by them, will bring the entire neighborhood closer to these goals and serve as a model for other communities seeking positive alternatives to substandard living conditions and the loss of their young adults.

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New Grants

Fundación Segundo Montes (FSM), $313,700, over two years, to strengthen civil society organizations, upgrade technical skills, create jobs and diversify agricultural production. FSM will provide the training and technical assistance necessary to organize local development councils, diversify agricultural production and establish micro-enterprises in the municipalities of Meanguera, Jocoaitique and Arambala, thereby benefiting 750 people. (ES-202)

Asociación Fundación para la Cooperación y el Desarrollo Comunal de El Salvador (CORDES), $317,580 to implement a three-year economic development project in partnership with two community-based organizations and four municipal governments. CORDES plans to organize 300 milk producers, provide training and technical assistance for 50 of them, buy new herds, improve milk quality, and create a facility for marketing directly to processing plants. (ES-203)

Patrick Breslin

Asociación Cooperativa de Ahorro, Crédito y Agrícola Comunal de Paraíso de Osorio (COPADEO), $313,457 for a three-year earthquake recovery and economic development project in cooperation with municipal governments in the departments of La Paz, Cuscutlán, San Vicente and Cabañas. Nine hundred small businesses, the majority in areas devastated by the quakes, will benefit from a revolving loan fund. A new training center will assist clients. COPADEO will modernize its information systems and training materials and, by building capacity in 30 other credit organizations, strengthen the credit sector's support for small businesses. (ES-204)

Comité de Repobladores de Cuscatlán (CRC), $349,408 for a three-year economic development and environmental preservation project with 10 rural communities and the municipal government of Suchitoto in the department of Cuscutlán. With the award, CRC will improve agricultural production, set up a business to market produce, operate a credit fund and support local democratic practices. (ES-205)

Fundación Promotora de Productores y Empresarios Salvadoreños (PROESA), $346,456, over four years, for a community-based rural economic development pilot project in partnership with Asociación para el Desarrollo de Productores y Comercializadores Centroamericanos (ADEPROCCA) and the municipal government of Guazapa in the department of San Salvador. Activities include construction of 20 diversified agriculture demonstration plots and creation of an agro-industry. Improved food security, better business skills and more decentralized governance will directly benefit 100 families. (ES-206)

Fundación Salvadoreña de Apoyo Integral (FUSAI), $100,000 for a one-year project to disseminate the "Counterpart Fund for Local Development" model created through previous grants to FUSAI (ES-174) and the Fundación Nacional para el Desarrollo (FUNDE, ES-175), which both worked in consultation with the municipality, private sector and community organizations. The establishment of a regional network on multisectoral alliances will allow several hundred representatives of various entities to participate in educational fora, seminars, conferences and courses. Thousands of people will be able to access additional information through publications, Web sites and Internet conferences. (ES-207)

Supplemental Grants

Asociación Coordinadora de Comunidades Unidas de Usulután (COMUS), $100,000, over one year, for training, technical assistance and low-income loans to improve the production and marketing of 160 small-scale farmers hit hardest by the earthquakes of January 2001 in the communities COMUS serves, and to raise their families' income and living standard. (ES-182-A3)

Fundación Campo (FC), $10,000 to conduct post-earthquake relief efforts in food security and housing for 39 of the communities participating in the Corredores de Desarrollo project. (ES-187-A3)

Patrick Breslin

Looking Ahead

By Kathryn Smith Pyle
Foundation Representative for El Salvador

With the end of El Salvador's civil war in 1992, the country's small and medium-sized enterprises increased dramatically. Sixty percent of the Salvadoran population has a small business, and the demand for loans up to $4,000 far exceeds the capacity of the lending sector. Most loans are made by nongovernmental organizations: church groups, community-based groups, and local and national level savings and loan associations such as *Asociación Cooperativa de Ahorro, Crédito y Agrícola Comunal de Paraíso de Osorio* (COPADEO), based in Cojutepeque, Cuscatlán, with a satellite office in Paraíso de Osorio, La Paz. Since beginning operations 32 years ago, COPADEO has extended loans to more than 3,500 owners of small and medium enterprises.

In response to the earthquakes of 2001, COPADEO now plans to implement an economic development project in cooperation with municipal governments in the departments of Cuscatlán, La Paz, San Vicente and Cabañas. Nine hundred small businesses, half of them owned by women, will receive loans from a revolving fund, resulting in the creation of 500 new jobs. Priority will be given to the severely damaged municipality of Paraíso de Osorio, where 80 percent of the housing was destroyed and many families are still living in "temporary" shelters of plastic or sheet metal.

Loans averaging $1,000 each will be extended to individuals and to organized groups for small shops and for businesses offering services or producing handicrafts, baked goods, other processed food and consumer goods. The owners will receive assistance in obtaining legal status as part of the project's goal to formalize the sector. Loan clients will be offered workshops on norms and procedures for operating small businesses. Sessions will highlight best practices drawn from the project and explore the potential role of remittances at this scale of economic development.

Through this project, COPADEO has deepened its long-standing relationship with Paraíso de Osorio's municipal government. Past collaboration has included co-funding various infrastructure projects such as school and road construction, the development of a library, and the introduction of potable water and electricity. This year, encouraged by a special technical assistance project for IAF grantees, COPADEO joined the mayor's office, other local groups and community residents in an alliance to capture remittances for development projects. As a new member of the Comité de Enlace de Paraíso de Osorio (CEPOLA), COPADEO works with the other local actors to connect with Salvadoran migrants in the U.S. Because of CEPOLA's link with the Committee of Paraíso de Osorio Residents in Los Angeles (COPORLA), a Salvadoran hometown association in California, a cement block manufacturing plant envisioned in the municipal plan is under construction. COPORLA and CEPOLA secured funding from the national government's Social Investment Fund for Local Development and these funds will be matched by the municipality and COPORLA. The plant will initially produce blocks for housing reconstruction and later will operate as a business, marketing its product commercially.

COPADEO's successful experience led the organization to initiate the creation of a Local Development Committee composed of municipal government and civil society representatives. The Committee's plan for the next three years has already been approved.

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Guatemala

New Grants

Equipo de Consultoría en Agricultura Orgánica (ECAO), $286,055 to undertake a three-year project to increase the food production and income of 200 small-scale farmers. ECAO will provide technical assistance, training and marketing services. Each farmer trained will train three additional farmers, thereby increasing the impact of the project. ECAO will also offer training to eight farmer organizations and make small loans to their members for adding value to their production through processing, selling in volume and reaching new markets. (GT-271)

Fundación para el Desarrollo y Fortalecimiento de las Organizaciones de Base (FUNDEBASE), $225,500 over three years, to increase the food security of approximately 220 low-income rural families through training and technical assistance in soil and water conservation, organic agriculture, crop diversification, and marketing, and to strengthen five grassroots organizations with more than 600 members. FUNDEBASE will disseminate its food security methodology in partnership with municipal governments and Guatemala's Ministry of Agriculture. (GT-272)

Rebecca James

Poverty, Food and the Environment

in Rural Guatemala

By James Adriance
Foundation Representative for Guatemala

The Guatemalan countryside is home to some of the most daunting poverty in Latin America. Rural residents account for more than half the country's 11 million people and about 40 percent of them live in extreme poverty, surviving on less than $2 a day. Last year, due to a drought and a sharp fall in the price of coffee, an economic mainstay, their circumstances became even more desperate. Several highly publicized deaths by starvation have called attention to the urgent lack of food security in many areas.

Rural residents without land or other capital must struggle the hardest just to stay alive. A step ahead are families with access to small plots that barely allow them to satisfy their hunger. Many get through the year eating only the corn and beans that they grow. IAF's new Guatemalan grantees, *Equipo de Consultoría sobre Agricultura Orgánica* (ECAO) and *Fundación para el Desarrollo y Fortalecimiento de las Organizaciones de Base* (FUNDEBASE), work with such small-scale farmers to improve their food supply, nutrition and income by adopting new growing methods and adding new crops.

With its IAF award, each grantee will carry out a three-year training and technical assistance program. ECAO will work with six communities near Quetzaltenango and in two communities in the department of Sololá. FUNDEBASE will work in the central highlands. Their programs will respond to initiatives from the farmers. Those with commitment and vision will be intensely involved in experiments with soil improvement methods, pest control and crop varieties appropriate to their micro-regions, and will share the lessons learned with their neighbors. ECAO and FUNDEBASE's tested methodology puts farmers beginning the program in direct contact with farmers already implementing new methods, which can accomplish more in one day than a month of lectures by experts.

ECAO will also assist individual farmers with resource and crop maps and long-term farm plans for use as the basis of yearly technical assistance visits. To add value to organic coffee, fruits, vegetables, spices and medicinal plants, it has created Guatemaya, a new marketing business. When Guatemaya is legally incorporated, farmers will participate as shareholders. Guatemaya will do market studies, arrange to sell member production and work with farmers so their crops meet quality and health standards.

FUNDEBASE's active and varied alliances with the public and nonprofit sectors throughout Central America will ensure that its methodology of adult education and leadership development is well disseminated. Its partners in this IAF-supported project include the municipal governments of San Martin Jilotepeque, San Lucas Toliman and San Antonio Palopo, Bread for the World-Germany, and the Guatemalan Ministry of Agriculture which will provide seeds and a locale for training sessions.

In addition to improving rural residents' health and well-being, ECAO and FUNDEBASE's work has positive implications for the environment. Many of the poorest subsistence farmers live in fragile areas — often steep hillsides located in or near watersheds, forests or protected areas of high bio-diversity — that better-off producers have rejected as too difficult to farm. The grantees will show farmers on fragile land how to retain their soil through contouring and use of barriers, to improve productivity with cover crops and organic matter, and to control pests with biological methods. Farmers with this training are less likely to search for fresh land using migratory slash-and-burn tactics or resort to toxic chemicals that can harm the unprotected user and contaminate the water supply. By encouraging community leaders to work with affordable local resources and to share their new knowledge, ECAO and FUNDEBASE hope for a more secure future in rural Guatemala.

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Haiti

New Grants

Fondasyon Enstitisyon pou Devlopman ak Edikasyon Sivik ki Sòti nan Baz-la (FIDEB), $143,600 for a three-year project to assist more than 50 communities throughout Haiti in implementing an equal number of small-scale development projects with contributions from the local private and public sectors. FIDEB will receive assistance and training for the development of a video, a CD-ROM and other fundraising tools directed at eliciting contributions to its grants fund from the Haitian diaspora. (HA-198)

Haitian Partners for Christian Development (HPCD), $190,700, over five years, to build and equip a business incubator in Port-au-Prince to assist the transition of micro-enterprises into small businesses and create or improve up to 80 jobs. In addition to infrastructure and operational services, HPCD will provide training, assist graduates in setting up their operations and follow up with mentoring and assistance. (HA-199)

Coordination des Groupements et Organisations Communautaires (COGOC), $146,600, over three years, to enable COGOC members to increase their production and sale of jam, juice and wine, benefiting 3,500 small-scale farmers. (HA-200)

Supplemental Grants

Fondation La Ruche (FLR), $21,700, over six months, to host a conference on social investment and corporate social responsibility and to support social investment partnerships that will mobilize resources for at least four local development projects involving more than 500 low-income families. (HA-186-A3)

Building Better Communities

with Help from the Diaspora

By Carlo Dade
Foundation Representative for the Dominican Republic and Haiti

Throughout Central America and the Caribbean, the poor are dependent for their survival upon remittances sent home by family members or friends in the United States and Canada. Nowhere is this dependence more extreme than in Haiti. Because of the current political and economic crisis and a concomitant reduction in investment and foreign aid, remittances now constitute the country's most significant source of income. Usually remittances are spent on basic needs, but in Haiti and elsewhere a small amount is financing community development projects such as health clinics and libraries. Through the Inter-American Foundation's 2002 grant to the *Fondasyon Enstitisyon-yo pou Devlopman ki Sòti nan Baz-la* (FIDEB), Haitian diaspora groups and hometown associations in the United States will receive technical assistance and co-financing toward assisting projects they undertake in Haiti.

International donors, the IAF included, have recently become aware of the Latin American and Caribbean diaspora's potential as a complementary source of development funding. Unlike foreign government agencies and religious organizations seeking to further development, diaspora donors often have strong personal ties to the communities they are working to improve. With grants such as this one to FIDEB, IAF's historic commitment to beneficiary participation in the development process now involves partnerships with immigrants seeking to help their communities of origin.

FIDEB is an alliance of 15 community groups promoting collaboration among Haitian neighborhood associations, local government officials and businessmen on all phases of development projects throughout Haiti. With an earlier IAF grant, FIDEB worked with Haitian neighborhoods willing to contribute two-thirds of the cost of the projects they proposed. FIDEB assisted these communities with the design, brokered the required support from local government and private sectors, and conducted strategic planning seminars, civic education workshops and technical training sessions to enable these undertakings. It also monitored progress and provided follow-up technical assistance as needed. This new grant will open FIDEB's process, services and the co-financing of between 45 and 60 new projects to Haiti's U.S. diaspora whom FIDEB representatives will educate on the opportunity to assist.

New Grants

Vecinos Mundiales Honduras (VM/H), $272,237 for a food security, health and organizational development program benefiting 275 peasant families from 11 communities of the Aguila watershed in the department of Paraiso in southeastern Honduras. Project activities include the establishment or promotion of model farms, credit funds, farmer exchanges, agricultural diversification, vaccination campaigns and training courses. (HO-236)

Patrick Breslin

Food Security and Health Concerns

By Kevin Healy
Foundation Representative for Costa Rica, Honduras and Panama

In recent years, Honduran hillside peasant farmers have been battered by natural disasters, changing weather patterns, an international coffee crisis and other hardships. As a result, these farmers, already one of the hemisphere's poorest groups, are experiencing increased hunger and worse living conditions. Migration toward job opportunities in the United States, and the resulting remittances, are of growing importance in this context.

Vecinos Mundiales Honduras (VMH), an affiliate of one of the premiere grassroots development agencies in Central America, has managed to navigate this multi-crises scenario. Drawing upon an impressive repertoire of innovative development strategies and participatory methodologies, VMH targets community empowerment and family food security. Over several decades, it has pioneered farmer-to-farmer research and exchanges, which taps practical knowledge, cuts production costs and enhances environmental sustainability. Its efforts have effectively linked agricultural and health strategies in a grassroots framework.

With its IAF grant, VMH aims to build on several years of diagnostic planning exercises, preparation of local leaders and health and agricultural promoters, and the formation of a project team working to expand food security, community health and organizational development in the Aguila watershed in southeastern Honduras. The five-person project team will conduct technical assistance through visiting individual farmers, organizing "field days" for groups of farmers, developing model farms and training farmers in agro-forestry, watershed management, integrated pest control, seed and small animal production, marketing, value-added processing, leadership, and soil conservation. The province-based program will also channel credit through cajas rurales to selected households for short-term farm investments.

Additionally, VMH will improve its beneficiaries' health prospects by organizing local health committees; by advancing basic sanitation through the use of latrines and better drainage systems and waster disposal practices; and by promoting preventive medicine, including food preparation precautions, vaccinations and infant nutrition. Fewer health problems along with sustainable natural resource management and greater capacity for organization will mean a better quality of life for the stakeholders in the Aguila watershed.

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New Grants

Corporación de Estudios Sociales y Educación (SUR), Chile, $35,050, over seven months, to study best practices in local economic development in Uruguay and Chile, present the results of the study at seminars and conferences, and produce a publication. The project will benefit approximately 250 development professionals. (LA-157)

Fundación Esquel Ecuador (FEE), $75,000, over 18 months, to research how Latin American communities motivate their citizens to make decisions on economic and community development. Local researchers, guided and trained in methodology by a team of experts, will examine 10 projects, five identified by the IAF and five by the Inter-American Democracy Network. (LA-158)

Rebecca James

Patrick Breslin

Corporación de Estudios Sociales y Educación (SUR), Chile, $75,000, over three years, to operate, in conjunction with the Centro Boliviano de Estudios Multidisciplinarios (CEBEM, Bolivia) and the Facultad Latinoamericana de Ciencias Sociales (FLACSO, Ecuador), the electronic Network for Research and Action in Local Development (RIADEL), benefiting researchers, academics, trainers, policy-makers, representatives of local governments and community leaders throughout Latin America. (LA-159)

New Grants

ProNatura Chiapas, A.C. (ProNatura), $453,032 to undertake a two-year project promoting local development in three communities of northern Chiapas. Project activities include increased production and national and international marketing of organic coffee, strengthening and improvement of agro-ecology, productive forestry, and the creation of additional family businesses. Approximately 3,000 individuals will directly benefit. (ME-448)

Niños y Crías, A.C. (NyC), $400,000 for a three-year project to encourage natural resource protection, promote sustainable economic development and improve the quality of life of residents in 11 protected areas of Mexico by creating a university-based training center, coordinating 11 high-profile community-based education and social marketing campaigns, and generating private sector support for rural economic development, public and environmental health, and natural resource management. (ME-449)

Fundación para la Productividad en el Campo, A.C. (APOYO), $185,000, over three years, to implement APOYO's models for providing credit, training and technical assistance to 1,500 low-income rural producers and 7,000 family members, and for mobilizing $500,000 in remittances from Mexican immigrants in the United States for productive projects in their communities of origin. This project aims to reduce migration to the United States by expanding income-generating opportunities in poor communities in the Mexican states with the highest migration rates. (ME-450)

FinComun, Servicios Financieros Comunitarios, S.A. de C.V., Unión de Crédito (FinComun), $300,500, over three years, to provide, in collaboration with BIMBO, a Mexican manufacturer of baked goods, savings services for approximately 20,000 new low-income clients in Mexico City and extend approximately 12,700 new loans to micro-enterprises. (ME-451)

Fundación Comunitaria de la Frontera Norte, A.C. (FCFNAC), $315,000, over three years, to implement a participatory process that will support projects managed by community groups and nongovernmental organizations, benefiting more than 150,000 residents of Ciudad Juárez. FCFNAC will strengthen its partnerships with civic leaders, Mexican and U.S. corporations, nongovernmental organizations, and public institutions to improve the quality of life in low-income communities. (ME-452)

Rebecca James

Fundación del Empresariado Sonorense, A.C. (FESAC), $365,000, over three years and six months, to mobilize more than $630,000 from businesses and other private sources for local improvement projects managed by community groups and nongovernmental organizations. FESAC, composed of 6,000 business leaders, will work in a groundbreaking partnership with civic leaders and nongovernmental organizations directed at improving the quality of life for more than 1,200 people in 10 cities and surrounding areas in the state of Sonora. (ME-453)

Centro Campesino para el Desarrollo Sustentable, A.C. (Campesino), $182,300 to undertake a two-year project to improve food security through training local farmers and municipal government officials in conservation techniques, leadership, planning and related themes. Campesino will equip and expand its training center, oversee the strengthening of three regional development funds, and support the creation of two new small businesses. (ME-454)

Fundación Habitat y Vivienda, A.C. (FUNHAVI), $200,000, over three years, to mobilize, with its business partners, more than $165,000 for a loan fund for home improvements, including connection to municipal water and sewage systems, benefiting more than 2,000 low-income residents of Ciudad Juárez. (ME-455)

Centro Mexicano para la Filantropía (CEMEFI), $340,000, over five years, to improve the long-term financial sustainability of community foundations and strengthen their partnerships with civic leaders, businesses, nongovernmental organizations and public institutions. This award will help foundations better support improvement projects managed by community groups and nongovernmental organizations in cities throughout Mexico. (ME-456)

Alternare, A.C. (Alternare), $325,000, over three years, to raise the productive capacity and incomes of approximately 90 small-scale farmers in seven communities in and around Mexico's Monarch Butterfly Biosphere Reserve through training in sustainable agriculture and agro-forestry, community organization, small business development, and alliances with local and national governments and inter-agency coordinating committees. (ME-457)

Estudios Rurales y Asesoría Campesina, A.C. (ERAC), $55,050 for a six-month planning project directed at facilitating the formation of a forestry enterprise that will increase incomes of Oaxaca communities located in forests certified as sustainably managed. The program will include community consultations, formation of a work group, business and strategic planning activities, creation of a new enterprise, and the promotion in national and international niche markets of products from forest certified as sustainably managed. (ME-458)

Supplemental Grant

Coordinadora de Organizaciones Campesinas e Indígenas de la Huasteca Potosina, A.C. (COCIHP), $20,100 to fully implement COCIHP's work with women in the municipalities of Axtla and Tancanhuitz. This amendment will support salaries for an advisor and promoters providing training and technical assistance in leadership, local development activities and agricultural techniques. (ME-434-A1)

Supporting Development with NGO Business Partnerships

*By **Robert J. Sogge**, Senior Foundation Representative for the Caribbean and Mexico*
Jill Wheeler, Foundation Representative for Mexico

In fiscal 2002, eight nongovernmental organizations in Mexico received grants to support groundbreaking partnerships initiated with businesses to produce significant, practical improvements in low-income communities. These relationships have been forged with enterprises eager to put into practice contemporary notions of corporate social responsibility and participatory development. Private sector involvement ranges from cash donations to mobilizing local support, providing volunteers, offering expertise and participating in NGO leadership. The alliances take several forms:

- **Partnering with Mexican Businesses**

Through its partnership with BIMBO, the Mexico's largest bakery corporation, *FinComún, Servicios Financieros Comunitarios*, will expand its micro-enterprise loan program in Mexico City. BIMBO representatives will personally introduce FinComún credit advisors to BIMBO's low-income clients who might benefit from micro-finance and credit services. An alliance with two local businesses, Cementos Chihuahua and Supermercados Smart, will allow *Fundación Habitat y Vivienda* (FUNHAVI) to increase its home improvement loans to low-income families in Ciudad Juárez, across the border from El Paso, Texas. Cementos Chihuahua supports FUNHAVI's publicity campaigns and sells the new loan recipients construction materials at discounted prices. All loan repayments are deposited at local outlets of Supermercados Smart, a grocery chain, which donates accounting services.

- **Enlisting Business Leaders**

ProNatura Chiapas and *Alternare* have invited successful business people to serve on their boards of directors and in advisory capacities. These business leaders provide financial and marketing expertise, promote further cooperation with the private sector, and assist in raising funds.

- **Mobilizing Resources for Community Foundations**

Businesses and philanthropic leaders will mobilize financial resources and volunteers for the grantmaking operations of *Fundación Comunitaria de la Frontera Norte* in Ciudad Juárez; *Fundación del Empresariado Sonorense*, a statewide foundation whose membership consists of 6,000 business leaders in Ciudad Obregón, Hermosillo and Nogales in Sonora, which shares a border with Arizona; and 10 community foundations across Mexico supported by *Centro Mexicano para la Filantropia*. These partnerships assist the foundations in making grants to community groups and NGOs working to improve conditions for impoverished families and neighborhoods.

- **Tapping a Corporate Spectrum**

Niños y Crías will promote natural resource conservation in 11 protected areas through community-based education campaigns initially supported with resources from Banco Nacional de Mexico, Hewlett Packard-Mexico, the David and Lucile Packard Foundation, Patagonia, Inc., and Aveda Corporation, among other Mexican and U.S. businesses. More corporations are expected to donate in the future. Additionally, committees representing each protected area will raise from local businesses cash or in-kind contributions, including production of community outreach materials and air time on television and radio stations.

NGO-private sector collaboration is a growing trend in Mexico. Clearly, businesses are expanding their commitment to social responsibility to include grassroots development. Through their creative incorporation of private sector skills and resources, these eight grantees are positioning their programs for a successful and sustainable future working toward a better quality of life for low-income Mexicans.

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Nicaragua

Patrick Breslin

New Grants

Asociación Unidad por el Desarrollo Comunitario (UDECO), $296,236, over three years, to train 1,200 people from 200 families in new forms of community organization and production technologies and to improve food security and family income through a loan fund for agricultural, forestry and livestock development. (NC-240)

Asociación de Consultores para el Desarrollo de la Pequeña, Mediana y Microempresa (ACODEP), $395,300, over three years, to develop an integrated housing program for 3,200 low-income families. Poor households will receive technical assistance and training in design and construction as well as financial services for home improvements or new housing. (NC-243)

Fondo de Desarrollo para la Mujer-Cenzontle (FODEM), $472,727 for a three-year credit and training project contributing to the economic development and empowerment of 9,600 low-income women micro-entrepreneurs. (NC-244)

Movimiento por la Paz, Acción Forestal y el Medio Ambiente (MOPAF-MA), $356,883, over three years, to organize, train and strengthen territorial networks of farmers working to recover an area of approximately 360 square kilometers. The award to MOPAF-MA will benefit approximately 1,500 families in eight communities, especially those residing on the lower hillside and slopes of the watershed basin of Lake Managua. (NC-247)

Asociación para el Desarrollo Económico con Equidad (Alternativa), $271,400, over three years, for a program directed at developing and strengthening, through technical assistance and access to credit, approximately 1,200 micro- and small enterprises involved in production, service and commercial activities in urban and rural areas in the municipality of Masaya. (NC-248)

Cooperativa Agropecuaria de Servicios de Extracción de Aceites Esenciales, R.L., El Bálsamo (COOPESIUNA), $162,500 to configure, install, maintain and operate a business owned by allspice producers residing in the buffer zone of the BOSAWAS Biosphere Reserve. COOPESIUNA members will use renewable energy technologies (solar and biofuel) to produce and market ground allspice and allspice essential oil. (NC-249)

Cooperativa de Servicios Múltiples San Isidro R. L. (COOPECAFÉ), $122,000 to configure, set up, operate and maintain an enterprise that will use a solar/biomass drying system to process coffee for sale locally and internationally, benefiting approximately 1,200 people associated with 200 small- and medium-scale coffee producers. (NC-250)

Supplemental Grant

Fundación por la Unidad y Reconstrucción de la Costa Atlántica (FURCA), $50,780 for purchasing replacement vegetable and fruit seeds, plants, tree seedlings, and small animals. The amendment will also support training and technical assistance for project beneficiaries and FURCA's additional administrative and operational expenses. (NC-232-A1)

Capturing Value Added

By Miriam Brandão
Senior Foundation Representative for Central America

The *Cooperativa Agropecuaria de Servicios de Extracción de Aceites Esenciales R.L, El Bálsamo* (COOPESIUNA) and the *Cooperativa de Servicios Múltiples San Isidro R.L.* (COOPECAFÉ) were formed with the help of the Programa de Campesino a Campesino (PCAC), sponsored by the Nicaraguan NGO Union Nacional de Agricultores y Ganaderos, which has offered farmers in Nicaragua "horizontal" technical assistance and training for more than 15 years. IAF's goal in supporting these two rural cooperatives is to assist their development into agro-industries that use sustainable methods to capture value added from processing and direct export.

COOPESIUNA, which obtained its legal status in 1999, operates in the buffer zone of the BOSAWAS Biosphere Reserve. Its members have launched an enterprise using renewable energy technology (solar and biofuel) to cultivate indigenous allspice, harvest the berries and leaves, and extract their highly valued essential oils. The farmers have established nurseries for thousands of allspice trees as well as citrus trees, cocoa and other appropriate forest cover species. COOPESIUNA aims to significantly increase revenue for member families and to introduce sustainable extraction methods to preserve the forest ecosystem and associated biodiversity.

With $162,500 from the IAF, COOPESIUNA will develop and implement a capacity-building, training and marketing program to support the installation, operation, maintenance and repair of solar and related equipment. It will assist in the design and configuration of the processing plant and the operational plan for the cooperative and provide quality control and support for processing and export activities. Members will receive training in mixed-use agroforestry, nursery, and planting and harvesting techniques. Initially, the project will benefit the 69 members of the cooperative and their families, approximately 400 people. Another 250 families involved in allspice production in the zone will benefit from the project's future expansion.

COOPECAFÉ, incorporated in 2000, belongs to 200 small- and medium-scale coffee producers residing in six municipalities in the department of Boaco. The cooperative purchased land and, with a grant from the Austrian development agency, constructed a facility that allows coffee growers to process their own harvest using an off-grid, stand-alone solar/biomass coffee mill, as well as stores and helps export coffee for COOPECAFÉ members. IAF's award of $122,000 will co-finance a drying system and milling and sorting equipment. It will also provide the remaining investment capital needed to make the farmer-owned coffee mill operational as well as working capital and equipment for a roasting company owned and operated by women of the cooperative. In all, the project will benefit 1,400 people, including COOPECAFÉ's members and their families.

COOPESIUNA and COOPECAFÉ also receive support from the Mesoamerican Development Institute, the World Bank's Global Environment Facility, the Frontera Agrícola Program of Nicaragua's Ministry of Natural Resources and the Environment, and Oxfam-United Kingdom. In three years, their members should be fully trained in all phases of the processing equipment and able to manage their enterprises without outside assistance. Their members' income should increase substantially through processing, marketing and the direct export of biodiversity-friendly coffee and essential allspice oil. Finally, it is anticipated that these projects will result in decreased destruction of native forests through conventional farming practices.

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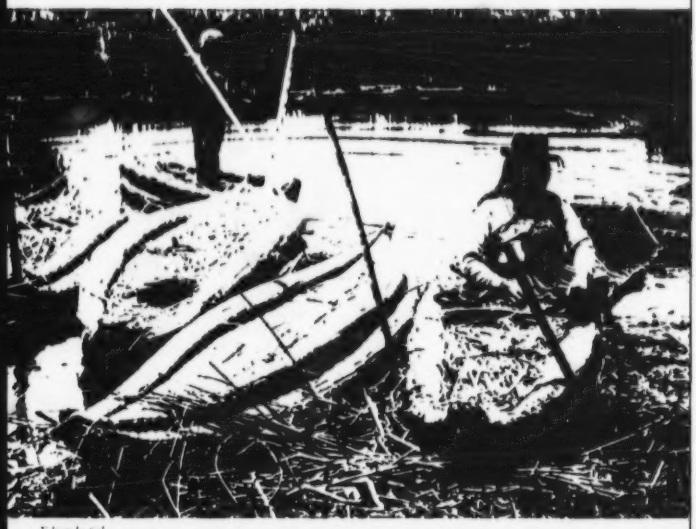
Peru



Eduardo Gil

New Grants

Programa Integral para el Desarrollo del Café (PIDECAFÉ), $264,064, over three years, for a program to assist 20 local associations of coffee producers affiliated with CEPICAFE, a regional coffee growers association, in creating a regional network of community enterprises to produce and sell brown sugar as a source of income diversification in six municipalities in the Piura highlands. (PU-509)

Comunidad Indígena Asháninka "Marankiari Bajo" (CIAMB), $180,670, over three years, to expand agro-ecological production and marketing through agricultural and forest-based crop diversification, irrigation, and improved harvest and post-harvest practices; and to increase the community's capacity for locally-controlled economic development through title to land, the creation of household and community enterprises, and training in strategic planning and management. (PU-510)

Centro de Estudios Sociales "Solidaridad" (CESS), $294,753, over three years, to assist producer associations, representing 300 members in the municipalities of Morrope, Salas and San José, in the establishment and operation of crop storage centers in each locality and a marketing information center in Chiclayo; and to partner with municipal governments and the agro-marketing enterprise Procesadora Tucume in a regional consortium for producing and selling agricultural and dairy products. (PU-511)

Centro de Estudios en Población y Desarrollo de la Libertad (CEPDEL), $204,920, over two years, to improve and expand food production in family plots, establish storage and marketing operations, and form a consortium to improve sustainable development and food security in the district. CEPDEL's activities will be undertaken in conjunction with 18 agriculture and conservation committees, the Community Agricultural and Livestock Enterprise, the Chepen Agricultural and Livestock Committee, Carabamba women's organizations, and the Carabamba municipal government. (PU-512)

Servicios Educativos, Promoción y Apoyo Rural (SEPAR), $119,700, over two years, to coordinate a consortium of seven local development organizations, including the municipality of Huancayo, that will support the growth of 150 micro- and small tourism and agricultural processing businesses. Credit, training, technical assistance and marketing services will benefit 1,200 residents. (PU-513)

Supplemental Grants

Asesoría, Consultoría y Negocios (ACONSUR), $50,000 to advance the expansion and long-term sustainability of highly successful programs providing training and technical assistance to textile micro-enterprises in Villa El Salvador. These funds will be used to purchase land, initiate construction to house ACONSUR´s programs, carry out studies to improve marketing plans and to incorporate gender considerations in all of ACONSUR´s programs and operations. (PU-480-A5)

Centro de Estudios para el Desarrollo Regional (CEDER), $19,500 toward administrative, travel and promotional costs associated with preparation of the international local development conference scheduled for June 2003 as a special IAF initiative in partnership with the municipality of Arequipa and local and national NGOs. (PU-481-A2)

Centro de Estudios para el Desarrollo Regional (CEDER), $132,375 for the participation of 250 academicians, practitioners, business leaders and government officials from Latin America, North America and Europe in the Arequipa conference. (PU-481-3)

Courtesy SASE, Lima, Peru

Mitchell Denburg

An Indigenous Community's Vision

By Christine Krueger
Foundation Representative for Bolivia and Peru

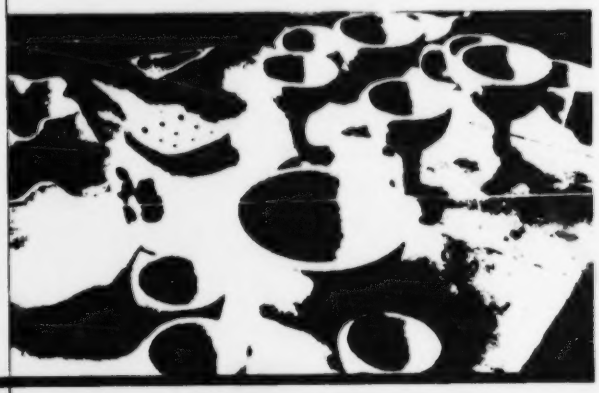
The *Comunidad Indígena Ashaninka Marankiari Bajo* (CIAMB) is setting the pace for development among indigenous communities along the Perené River in Peru's Junín department. With its grant from the Inter-American Foundation, CIAMB will carry out land titling activities, create household and community enterprises, and train leaders and members in strategic planning and management. The project, known as Ayóompari, which means supporting each other as family, aims at strengthening Asháninka capacity for locally-controlled economic development based on agro-forestry production and marketing.

Community work groups drawn from the 246 families of Marankiari Bajo will introduce irrigation and improved seed and plants on 54 hectares to increase their yields of coffee and citrus and other fruits as well as more traditional crops. Family groups will form micro-enterprises focused on market-oriented production and processing and will contract with a local transportation company to move products to an established Ashaninka space in Lima's wholesale market. Better highways in Junín put Marankiari Bajo only half an hour from La Merced, the Perené River area's urban center, and only six hours from Lima. As the community geographically closest to the nonindigenous world, Marankiari Bajo is assuming a role as broker and negotiator between that world and more remote Ashaninka communities whose land and culture are vulnerable to pressures from outsiders.

Previous support from the United Nations Amazon Region Development Program and the Canadian Institute for Research and Development enabled the Marankiari Bajo community to train a new generation of leaders with a vision of development that builds on Ashaninka culture, while making use of modern technology. CIAMB is steadily forming a cadre of Ashaninka professionals. Some 40 have finished their university education and are working for the development of their communities. But the Ashaninka also understand the importance of educating the nonindigenous world in the Ashaninka reality. In November 2002, thanks to information technology and a partnership with the Electronic Commerce and Education Exchange based in Seattle, CIAMB gave an Internet seminar on the Ashaninka experience. Information on this seminar and on CIAMB is accessible at www.rep.net.pe/ashaninka and www.ecie.org.

Supplemental Grant

Fundación para la Defensa de la Naturaleza (FUDENA), $11,000 toward the cost of a three-day conference in Caracas to address issues of long- and short-term sustainability in Venezuela's current political and economic context. (VZ-178-A1)



Mitchell Denburg

New Directions *in Funding*

Amendment to Social Progress Trust Fund Agreement

Since 1973, the IAF has received funds distributed through the Social Progress Trust Fund (SPTF). The program began when the U.S. government and the Inter-American Development Bank entered into an agreement establishing the SPTF to support the efforts of countries in Latin America and the Caribbean toward social progress and balanced economic growth. Congress appropriated resources for the SPTF in the Latin American Development Act of 1960. These funds have helped finance social development projects the IAF has selected in its review process. The SPTF agreement was amended during fiscal 2002, permitting all remaining resources, approximately $80 million over 15 years, to be directed to the IAF until exhausted. The IAF's SPTF account is administered by its Office of Operations.

Corporate Foundation Network of the Americas

Based on a draft proposal developed by the IAF, the Corporate Foundation Network of the Americas (CFN), with a founding membership of 27 foundations from 10 countries, was formally inaugurated on September 21 in Miami. Its goals are to raise awareness of grassroots development as key to poverty reduction in the Americas; set new agendas; and build a coordinated, hemispheric capacity to mobilize and channel funding. Through a common system for measuring results, the network will be able to show specifically what its funding has accomplished. Walter Price, special assistant to IAF's president, will work full time on this initiative and related issues. At its first meeting, the CFN elected a coordinating committee (with IAF as an observer) and named the Mexican Center for Philanthropy to a one-year term as Secretariat.

Currently represented in the CFN are Fundación Arcor, Fundación Juan Minetti and Fundación Telefónica in Argentina; Fundação Acesita para o Desenvolvimento Social, Fundação Odebrecht, Fundação Otacilio Coser and GIFE in Brazil; Fundación Inti Raymi in Bolivia; Fundación Pehuen, Fundación PROhumana and Fundación Telefónica in Chile; Fundación Corona, Asociación Colombiana de Fundación Petroleras, Fundación Restrepo Barco, Fundación EPSA and Fundación Smurfit-Carton in Colombia; Fundación Esquel and Fundación LANN in Ecuador; CEMEFI, Fundación Coca-Cola, Fundación Dibujando una Mañana, Fundación Merced, Fundación Wal-Mart-Mexico and Industrias Peñoles in Mexico; the Avina Foundation and the Levi Strauss Foundation in the United States; Fundación ACAC in Uruguay; and Fundación Polar in Venezuela.

Daniel Cima

Evaluation

Since the Inter-American Foundation's reorganization in August, its evaluation function has come within the Office of Operations. In fiscal 2002, IAF's evaluation unit gathered and analyzed a significant body of information detailing the results achieved with IAF grant funding.

Results Report

The backbone of this work is the Grassroots Development Framework (GDF), a schedule of indicators against which progress can be measured. Data forwarded by a full complement of 15 overseas contractors is compiled annually for the previous fiscal year. The report drafted in fiscal 2002 reflects that IAF's fiscal 2001 funding directly or indirectly affected approximately 680,000 individuals. This impact includes the following:

- More than 10,500 individuals learned basic literacy skills.
- Nearly 670 new houses were constructed and 650 existing homes repaired or expanded.
- Nearly 18,000 individuals were vaccinated and approximately 34,000 received other forms of medical attention.
- Close to 5,500 permanent and 4,000 seasonal jobs were created.
- Approximately 170,000 individuals acquired knowledge and skills in areas ranging from agriculture to marketing to the prevention of domestic violence, drug use and sexual abuse.
- Grantees mobilized nearly $5.9 million, including $4.4 million in cash and $1.5 million in kind. Of this total, 42 percent came from international sources.
- Grantees also helped broker $7.5 million in resources channeled directly to beneficiaries.
- Low-income individuals received 19,430 loans for agricultural production, construction, manufacturing, business expansion, education and other purposes.
- Grantees worked toward the enactment of 71 legal measures at the national, regional and local level and toward the application of 57 laws and other measures already on the books.

Sustainability Study

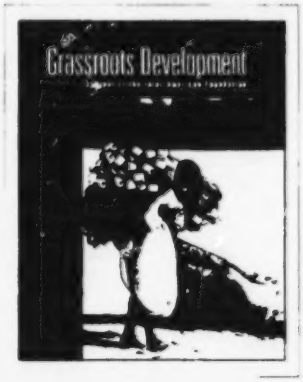
In fiscal 2002, the evaluation staff also worked with Econergy International Corporation, a consulting firm, on a study of the sustainability of IAF-supported organizations. Based on a review of a sample of 27 projects in Mexico, Costa Rica and Brazil, whose funding had terminated two to five years ago, Edward Hoyt, Econergy's principal investigator, concluded that sustainability is clearly strong: Only four out of 27 organizations were inactive or defunct. Of the 23 still in operation, 17, more than 70 percent, exhibited strong sustainability.

The IAF had contributed by providing support crucial to survival at a particular point in time, and that support was typically a vindication of the leadership and vision of a single social entrepreneur. The study also identified four organizational characteristics key to sustainability: strong leadership and/or management; alliances; diversification of funding; and strong name recognition.

Econergy's report weaves a vast array of information together in an organized, coherent and insightful manner. The convergence of the diverse data gathered and organized by Econergy seems to indicate that IAF projects do produce results for individuals, organizations and society, as described in the Grassroots Development Framework, and some projects influence all three levels.

Dissemination

In connection with its congressional mandate to disseminate the lessons learned from funding grassroots development, the IAF undertook an ambitious program in fiscal 2002. IAF's dissemination staff coordinated production of a range of publications, launched its quarterly online newsletter *IAF Connections*, further developed the IAF Web site, circulated a dozen news releases, and supported several conferences. Additionally, the executive and program staff, recognized worldwide as an excellent source of information on innovative initiatives, boosted the agency's outreach through activities that included participation in numerous public events.



Publications

The IAF's journal, *Grassroots Development*, and its annual report continue to be its flagship publications. FY-2002 marked the reappearance of the journal after a three-year hiatus. The latest issue features articles, an interview, reviews of recent works, the journal's first photo essay and more. English and Spanish versions of the journal and the annual report, *2001 in Review*, were circulated to a growing readership and posted, with a Portuguese layout, on the Web. Four other publications were produced in print and electronic format:

- *Approaches to Increasing the Productive Value of Remittances;*
- *Building Democracy from the Grassroots;*
- *Togetherness: How Governments, Corporations and NGOs Partner to Support Sustainable Development in Latin America;*
- *Economic Development in Latin American Communities of African Descent.*

Additionally, several previously published articles by IAF staff were disseminated by other organizations:

- "Social Capital, Sustainability and Working Democracy: New Yardsticks for Grassroots Development," first published in the 1994 *Grassroots Development* by Marion Richey Vance, former IAF representative, was reprinted in *The Earthscan Reader in NGO Management*, an anthology edited by Alan Fowler and Michael Edwards.
- "Remittances: Fueling Consumerism or Aiding Development?" by Patrick Breslin, vice president, IAF Office of External Affairs, and Carlo Dade, Foundation representative, was excerpted from *Approaches to Increasing the Productive Value of Remittances* and placed in the online database of the University of Sussex' Program in International Development in the 21st Century;
- "From Policy Advocate to Policy Maker: NGOs in Recife," by Kathryn Smith Pyle, Foundation representative, was reproduced from the 1997 *Grassroots Development* by the John F. Kennedy School at Harvard University for distribution as a case study in a course on poverty and poverty alleviation in developing countries.
- *Economic Development in Latin American Communities of African Descent* was uploaded to The World Bank's Web site and reprinted by the Inter-American Development Bank.
- "Wake Up and Smell the Prize-Winning Coffee," an IAF press release on Nicaraguan grantee PAGJINO, reprinted in Connections, was displayed on Global Envision's Web site.

www.iaf.gov

IAF's redesigned Web site, unveiled in 2002, now includes updated application procedures, information on past and current awards, an online newsletter, news releases, an inventory of IAF publications, and the full range of IAF products. The site's first photo essay, by Patrick Breslin, was highlighted in the September issue of *Shutterbug*, a monthly magazine for professional photographers. All content is accessible in graphic and text format. Material posted was extensively conformed for availability in English, Spanish and Portuguese. E-mail and the Web are now IAF's primary means of distribution to and communication with a broad constituency. Currently, www.iaf.gov features more than 60 links with grantee and other sites.

Conferences and Panels

As part of its dissemination function, the IAF undertook several international conferences. Hundreds of individuals from around the world planned to attend "Decentralization, Local Economic Development and Citizen Participation," cosponsored with the municipality of Arequipa, Marco Región Sur and IAF grantee Centro de Estudios para el Desarrollo Regional (CEDER), originally scheduled for June in Arequipa, Peru. However, massive protests against the Peruvian government's privatization initiatives resulted in a complete paralysis of all transportation to the area, and the conference has been rescheduled for June 2003.

"The Haitian Diaspora: An Indispensable Partner in Haiti's Economic Development," the IAF's second conference on remittances, held in Port au Prince in June, was cosponsored with the Center for Free Enterprise and Democracy, an NGO founded by 20 Haitian businessmen; USAID; and UNITRANSFER, a division of UNIBANK, S.A.

IAF's Amigo Network Roundtable, held in Miami in September, marked the establishment of the Corporate Foundation Network of the Americas by 27 founding members, all corporate foundations or foundation networks. Also in Miami in September, the IAF cosponsored, as the U.S. government's official representative, the Americas Conference on Corporate Social Responsibility where IAF grantees and corporate partners, totaling nearly a quarter of the participants, discussed their work with corporate sponsors on micro-finance, education and environmental projects.

IAF sponsored two panels in June at the Eighth Inter-American Conference of Mayors and Local Authorities in Miami: one on development partnerships, featuring representatives from Nicaraguan grantees CEPRODEL, CODELSA, Fundación León 2000 and Fundación Jose Nieborowski; and the other with the participation of Mexican grantee ACCEDDE and the mayor of Cuquío, Jalisco.

On the panel "African Descendent Communities and Grassroots Development in Latin America and Caribbean" at the National Council of La Raza Annual Meeting in July in Miami, representatives from Honduran grantee Organización de Desarrollo Étnica Comunitaria (ODECO), Brazil's Criola, the University of Texas and moderator Judith Morrison, IAF senior representative, analyzed successful development initiatives in a context of social exclusion. Morrison also moderated the IAF-sponsored panel "New Initiatives in Race" at the Inter-Agency Consultation on Race in Latin America in July.

Jill Wheeler

IAF's Nicaragua panel at the Eighth Inter-American Conference of Mayors and Local Authorities included, left to right, IAF representative Miriam Brandão; farmer/rancher Julio Henry Zapata Juárez; Mayor Luis Felipe Loza of Quezalguaque; and CEPRODEL board president Miguel Alfonso González Solórzano.

Executive Calendar

David Valenzuela summarized the Inter-American Foundation's experience at a November conference on local development in the global context sponsored by the Community Foundation of Bajío, a Mexican grantee. In February, he participated in U.S.-Mexico bilateral talks at the White House Conference Center where proposals were generated for presentation to Presidents Bush and Fox at their March meeting.

Patrick Breslin and Foundation representative Christine Krueger arranged for staff members Thomas Costa and David Rapallo, of the U.S. House of Representatives' Government Reform Committee, to visit Bolivian grantees in January. In March Breslin escorted U.S. Rep. Hilda Solis of California on site visits that included REDES' "mobile markets" of kiosks in Mejicanos, San Salvador, El Salvador and AVODEC's rural preventive health program in Jinotega, Nicaragua.

Valenzuela and Carolyn Karr, IAF general counsel, attended the Council on Foundations' annual meeting in May. Valenzuela represented the U.S. government at the Second International Meeting of Ministers and Representatives of the Highest Authorities responsible for Decentralization, Local Government and Citizen Participation held September in Cancún, Mexico. Later in the month, he gave a four-day course on local economic development at the World Expo Anniversary Celebration in Seville, Spain.

Staff Initiatives

Walter Price, special assistant to IAF's president, addressed Columbia University students at a session co-sponsored by Center for the Study of Human Rights and the Latin American Institute, and he participated in "Philanthropy and Social Change in Latin American: Strategies and Lessons," a workshop sponsored by the David Rockefeller Center for Latin American Studies and the Hauser Center for Nonprofit Organizations at Harvard University.

Judith Morrison participated in "Equally Represented? Political Inclusion of Africans in the Americas," a panel in the Congressional Black Caucus' September Braintrust event held in Washington, D.C. Carlo Dade shared IAF's experiences in linking diaspora groups with their communities of origin at "Remittances as a Development Tool in the Caribbean," a September roundtable hosted by the Inter-American Development Bank in Kingston, Jamaica. Earlier, Dade was interviewed on Miami's Radio Carnival on the role of the diaspora in development.

Paula Durbin

IAF representative Kevin Healy presented his book, Llamas, Weavings and Organic Chocolate, *at the Library of Congress, where he was welcomed by Hispanic Division chief Georgette Dorn and, right, Lawrence Boudon, editor of the Library's* Handbook of Latin America, *to which Healy has been a contributing editor for 25 years.*

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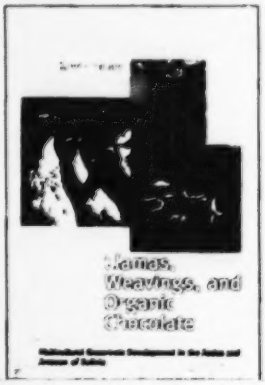
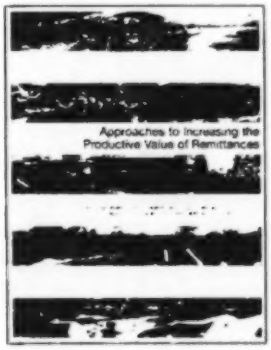
The growing interest in socially and environmentally sustainable business practices, along with the recognition that businesses can have a significant role in development, has led to a continual redefining of corporate social responsibility. While the dialogue on the issues is still evolving, IAF has formulated its own definition and put theory into practice in Latin America and the Caribbean. Audra Jones, IAF representative and corporate liaison, coordinated production of the IAF's first CD-ROM, *Investing in Social Change, IAF in Partnership with the Private Sector*, a collection of 16 case studies of innovative IAF-private sector partnerships. The CD is accessible on IAF's Web site (click on grants, corporate outreach and case studies).



Kevin Healy's *Llamas, Weavings, and Organic Chocolate: Multicultural Grassroots Development in the Andes and Amazon of Bolivia*, originally published in 2001 by Notre Dame Press (www.undpress.nd.edu), was scheduled for a second printing in fiscal 2002. The book details the author's experiences as an IAF representative responsible for grants for grassroots development in Bolivia. Its success, as well as Healy's scholarship on indigenous peoples, prompted invitations from the Society for International Development, George Washington University, the Smithsonian's Office of Folklife and Cultural Studies, the Textile Museum, the Library of Congress, the Peace Corps and the Foreign Service Institute, among other venues. Additionally, Healy's article "Building Networks of Social Capital for Grassroots Development Among Indigenous Communities in Bolivia and Mexico" appeared in *Social Capital and Economic Development, Well-Being in Developing Countries*, edited by Jonathan Isham, Thomas Kelly and Sunder Ramaswamy.

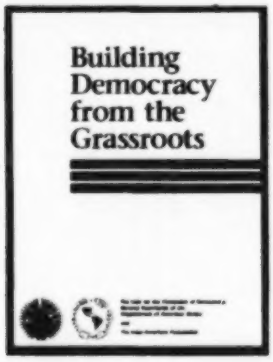
IAF Publications *in Fiscal 2002*

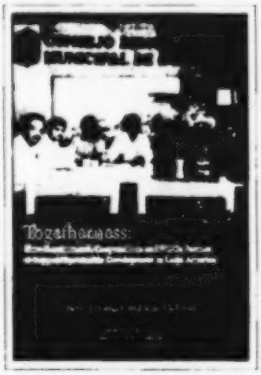
The recent explosion in migration to the United States dramatically increased remittances to Latin America and the Caribbean at the same time official assistance was declining — a coincidence that has made remittances of critical interest to the development community. In March 2001, the IAF, the United Nations Economic Commission on Latin America and the World Bank co-sponsored the first multilateral conference to probe the topic. *Approaches to Increasing the Productive Value of Remittances: Case Studies in Financial Innovations and International Cooperative Community Ventures*, a compilation of the conference papers coordinated by IAF representative Carlo Dade, is the most thorough exploration to date of the potential for channeling remittances into development projects.



According to recent census information, people of African descent make up one-third of Latin America's population, yet comprise 50 percent of its poor. Only in the last few years has the existence of their communities been documented and the available research tells us little about the residents' economic engagement. At the 2001 International Congress of the Latin American Studies Association, an IAF-sponsored panel focused on issues surrounding the self-help efforts of this minority often described as invisible. In *Economic Development in Latin American Communities of African Descent*, IAF representative Judith Morrison has compiled the panel's presentations, including her own detailing IAF's support for three Afro-Brazilian initiatives.

The transfer of public resources and functions from central bureaucracies to local government throughout Latin America and the Caribbean was the theme of the July 16, 2001, forum co-sponsored by the IAF and the Organization of American States. *Building Democracy from the Grassroots* compiles the panelists' presentations on the role of decentralization in consolidating democracy, promoting citizen participation and reducing poverty. These include Ramón Daubón's engaging analysis of the civic process that accompanies grassroots development based on his study of several IAF projects.





Togetherness by Beryl Levinger and Jean McLeod examines the experiences of 12 intersectoral partnerships — among NGOs, local government and, in some cases, businesses — working on grassroots development in five Latin American countries. The authors analyze the vocabulary, stages and types of partnerships entered into, as well as the benefits and burdens of such collaborations. Lessons learned from their field research do not always conform to the conventional wisdom but find ample support in data from the projects profiled.

IAF publications and the CD-ROM are available free of charge while supplies last.
To order, e-mail publications@iaf.gov or write to
Office of External Affairs, Inter-American Foundation, 901 North Stuart Street, 10th Floor, Arlington, VA 22203. Publications can be also downloaded from the IAF Web site.

Applying for an IAF Grant

In furtherance of its mission to promote sustainable grassroots development throughout the hemisphere, the IAF awards cash grants to help community and nonprofit organizations in Latin America and the Caribbean implement their own creative ideas for development and poverty reduction. The IAF invites proposals based on direct participation by beneficiaries in the design and management of project activities. As a pioneer in grassroots development, the IAF seeks to support projects that produce real improvements on a local level and also offer lessons and inspiration to others. It expects to work collaboratively with grantees to extract broader development lessons from each project.

Original grant applications must be sent directly to the Inter-American Foundation, Program Office, 901 North Stuart Street, 10th Floor, Arlington, VA, 22203, USA. The IAF will not accept grant applications submitted by fax. Grant applications can be sent via e-mail to proposals@iaf.gov. E-mailed grant applications must include the country of submission on the subject line. Deadlines for submission are posted on IAF's Web site.

Rebecca James

The IAF considers proposals that meet the following criteria:

- offer innovative solutions to development problems among populations generally beyond the reach of traditional foreign assistance agencies;
- demonstrate substantial beneficiary participation in project design and project management;
- generate practical benefits for the poor in ways that increase their capacity for self-help;
- strengthen poor people's organizations;
- are technically feasible;
- have the potential for eventual self-sustainability;
- show counterpart contributions from the proponent and, ideally, support from other sources.

IAF gives preference in awarding grants to organizations that have not recently received direct funding from U.S. government agencies. IAF favors applications that demonstrate a strategy for forming development partnerships with private and public sector institutions.

For additional information, visit www.iaf.gov.

www.iaf.gov

Apply for a Grant ▷▷▷▷▷

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The Inter-American Foundation (IAF) is an independent agency of the United States government that provides grants to nongovernmental and community-based organizations in Latin America and the Caribbean for innovative, sustainable and participatory self-help programs. The IAF primarily funds partnerships among grassroots and nonprofit organizations, businesses and local governments, directed at improving the quality of life of poor people and strengthening participation, accountability and democratic practices. To contribute to a better understanding of the development process, the IAF also shares its experiences and the lessons it has learned.

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Cover photos (clockwise from top right): Paulo de VC. Melo Júnior, Rebecca Janes, Paulo de VC. Melo Júnior, Paulo de VC. Melo Júnior.
Back cover: Guatemalan children, Rebecca Janes; Brazilian boy, Paulo de VC. Melo Júnior

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